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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from to

Commission File Number: 001-36812

Decoy Therapeutics Inc.

(Exact name of registrant as specified in its charter)

Delaware	**46-5087339**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

2450 Holcombe Blvd., Suite X, Houston, TX 77021
(Address of principal executive offices)(Zip Code)

(713) 913-5608
Registrant's telephone number, including area code

(Former name, former address and former fiscal year, If changed since last report)

Securities registered pursuant to Section 12(b) of the Act

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.0001 par value	DCOY	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-accelerated Filer ☒ Smaller Reporting Company ☒ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes ☐ No ☒

As of November 11, 2026, there were 2,385,282 shares of common stock outstanding.

DECOY THERAPEUTICS INC.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Various statements made in this Quarterly Report on Form 10-Q are forward-looking and involve risks and uncertainties. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements give our current expectations or forecasts of future events and are not statements of historical or current facts. These statements include, among others, statements about:

- *our ability to continue as a going concern and support our operations;*
- *our ability to maintain the listing of our shares of common stock on The Nasdaq Capital Market ("Nasdaq"), including specifically our ability to continue to comply with the minimum $2.5 million stockholders' equity requirement, and the effect of noncompliance on the potential liquidity and trading of our shares of common stock;*
- *our ability to successfully manage our cash and cash equivalents and any anticipated proceeds from financing transactions;*
- *our ability to acquire sufficient sources of funding if and when needed;*
- *our financial performance;*
- *our estimates and expectations as to expenses, ongoing losses, future revenue, cash flow, capital requirements and our need for or ability to obtain additional funding before we can expect to generate any revenue from product sales;*
- *our belief regarding the sufficiency of our cash resources to support our operations;*
- *our liquidity position and the expected sufficiency of such position for anticipated operating and capital requirements;*
- *our expectations regarding the expected benefits of, and potential value created by, the recently completed merger transaction between us and Legacy Decoy;*
- *the plans, strategies and objectives of management for future operations, including the execution of integration plans and the anticipated timing of filings, commencement of preclinical studies or clinical trials of our current and future program candidates, including statements regarding the timing of our planned regulatory communications, submissions and approvals, and release of data from such studies or trials;*
- *our plans to develop and commercialize potential product candidates, including planned preclinical, clinical, regulatory, commercialization and manufacturing activities;*
- *our expectations regarding the scope of any approved indication for any product candidate, if approved;*
- *the attraction and retention of highly qualified personnel;*
- *the ability to protect and enhance our products and intellectual property;*
- *developments and projections relating to our competitors or industry;*
- *our relationships and actions with third parties;*
- *future regulatory, judicial and legislative changes in our industry; and*
- *any other statements of expectations, plans, intentions or beliefs, and any statements of assumptions underlying any of the foregoing.*

Forward-looking statements also include statements other than statements of current or historical fact, including, without limitation, all statements related to any expectations of revenues, expenses, cash flows, earnings or losses from operations, cash required to maintain current and planned operations, capital or other financial items; any statements of the plans, strategies and objectives of management for future operations; any plans or expectations with respect to product research, development and commercialization, including regulatory approvals; any other statements of expectations, plans, intentions or beliefs; and any statements of assumptions underlying any of the foregoing. We often, although not always, identify forward-looking statements by using words or phrases such as "believe," "may," "could," "will," "estimate," "continue," "anticipate," "intend," "expect," "indicate," "seek," "should," "would," "target", "potential," "evaluate," "proceeding."

The following are some of the factors that could cause actual results to differ materially from the anticipated results or other expectations expressed, anticipated or implied in our forward-looking statements:

- *our ability to raise additional funds when necessary, and/or on acceptable terms;*
- *the adequacy of our capital to support our future operations;*
- *our ability to maintain our Nasdaq listing;*
- *our ability to obtain and maintain regulatory approvals for our potential product candidates;*
- *the potential impact of changes and disruptions at the FDA, including a reduction in the FDA's workforce and/or decreased funding for the FDA, on our business;*
- *our ability to identify patients that can be treated by our potential product candidates and to enroll these patients in our clinical trials;*
- *our ability to successfully commercialize our potential product candidates, if approved;*
- *our ability to leverage technology to identify and develop future potential product candidates;*
- *fluctuations in our operating results; and*
- *other factors described in our filings with the SEC.*

We cannot guarantee that the results and other expectations expressed, anticipated or implied in any forward-looking statement will be realized. The risks set forth under Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as supplemented by Part II, Item 1A of this Quarterly Report on Form 10-Q, describe major risks to our business, and you should read and interpret any forward-looking statements together with these risks. A variety of factors, including these risks, could cause our actual results and other expectations to differ materially from the anticipated results or other expectations expressed, anticipated or implied in our forward-looking statements. Should known or unknown risks materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected in the forward-looking statements. You should bear this in mind as you consider any forward-looking statements.

Our forward-looking statements speak only as of the dates on which they are made. We do not undertake any obligation to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied in such statements will not be realized.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

DECOY THERAPEUTICS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2026 (Unaudited)	December 31, 2025 Audited
Assets		
Current assets:		
Cash, cash equivalents, and restricted cash	$ 8,168,071	$ 10,709,937
Prepaid expenses and other current assets	212,313	275,223
Total current assets	8,380,384	10,985,160
Property and equipment, net	385,118	40,559
Other assets	27,670	30,988
Total assets	**$ 8,793,172**	**$ 11,056,707**
Liabilities, convertible preferred stock and stockholders' equity		
Current liabilities:		
Accounts payable	$ 778,612	$ 940,586
Accrued expenses and other current liabilities	637,781	861,748
Deferred revenue	2,690,521	3,225,581
Due to related party	139,823	139,823
Total current liabilities	4,246,737	5,167,738
Total liabilities	$ 4,246,737	$ 5,167,738
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized; 1,674 and 1,674 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	-	-
Common stock, $0.0001 par value; 100,000,000 shares authorized; 2,385,282 and 531,968 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	238	53
Additional paid-in capital	106,574,553	100,331,014
Accumulated deficit	(102,028,356)	(94,442,098)
Total stockholders' equity	4,546,435	5,888,969
Total liabilities and stockholders' equity	**$ 8,793,172**	**$ 11,056,707**

Historical common stock and additional paid-in capital amounts have been recast to reflect the 1-for-15 and 1-for-12 reverse stock splits effected on August 15, 2025 and March 6, 2026, respectively.

See accompanying notes to condensed consolidated financial statements.

DECOY THERAPEUTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Grant Revenue	$ 307,430	-	535,059	-
Operating expenses:				
Research and development	$ 1,574,007	$ 61,826	$ 3,628,165	$ 253,741
General and administrative	1,746,559	833,304	4,607,161	3,325,649
Total operating expenses	3,320,566	895,130	8,235,326	3,579,390
Loss from operations	(3,013,136)	(895,130)	(7,700,267)	(3,579,390)
Interest income and other, net	$ 25,306	$ 21,663	114,009	38,565
Net loss	**$ (2,987,830)**	**$ (873,467)**	**$ (7,586,258)**	**$ (3,540,825)**
Net loss per share attributable to common stockholders — basic and diluted	$ (3.53)	$ (21.76)	$ (11.91)	$ (172.20)
Total net loss per share	$ (3.53)	$ (21.76)	$ (11.91)	$ (172.20)
Weighted-average number of common shares used in net loss per share attributable to common stockholders — basic and diluted	845,439	40,132	637,221	20,562

Historical common stock and additional paid-in capital amounts have been recast to reflect the 1-for-15 and 1-for-12 reverse stock splits effected on August 15, 2025 and March 6, 2026, respectively.

See accompanying notes to condensed consolidated financial statements.

DECOY THERAPEUTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30, 2026	2025
Operating activities		
Net loss	$ (7,586,258)	$ (3,540,825)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	44,419	3,318
Equity-based compensation	672,695	79,535
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(200,960)	(502,224)
Accounts payable	(200,385)	27,132
Accrued expenses and other	(323,967)	242,364
Deferred revenue	(535,060)	—
Net cash used in operating activities	(8,129,516)	(3,690,700)
Investing activities		
Short term promissory note - Legacy Decoy	—	(200,000)
Purchase of fixed assets	(121,790)	—
Net cash used in investing activities	(121,790)	(200,000)
Financing activities		
Proceeds from issuance of equity securities, net	5,709,440	6,487,718
Payments on note payable	—	(221,866)
Net cash provided by financing activities	5,709,440	6,265,852
Net increase (decrease) in cash	(2,541,866)	2,375,152
Cash, cash equivalents, and restricted cash at beginning of period	10,709,937	2,434,528
Cash, cash equivalents, and restricted cash at end of period	$ 8,168,071	$ 4,809,680
Supplemental cash flow information		
Cash paid for interest	$ —	$ 5,800
Accrued issuance costs for public offering	$ 138,412	$ 290,058
Property and equipment purchases in accounts payable	$ —	$ —
Property and equipment reclassified from prepaid expenses	$ 263,870	$ —

See accompanying notes to condensed consolidated financial statements.

DECOY THERAPEUTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Preferred Stock		Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance at December 31, 2024	**8,006**	**1**	**—**	**—**	**83,435,312**	**(81,923,618)**	**1,511,695**
Issuance of equity securities, net	3,559	—	—	—	226,170	—	226,170
Equity-based compensation expense	—	—	—	—	33,534	—	33,534
Net loss	—	—	—	—	—	(1,709,533)	(1,709,533)
Balance at March 31, 2025	**11,565**	**1**	**—**	**—**	**83,695,016**	**(83,633,151)**	**61,866**
Issuance of equity securities and other, net	253	—	—	—	43,080	—	43,080
Equity-based compensation expense	—	—	—	—	23,155	—	23,155
Net loss	—	—	—	—	—	(957,825)	(957,825)
Balance at June 30, 2025	**11,818**	**1**	**—**	**—**	**83,761,251**	**(84,590,976)**	**(829,724)**
Issuance of equity securities and other, net	66,889	7	—	—	5,928,403	—	5,928,410
Equity-based compensation expense	—	—	—	—	22,846	—	22,846
Net loss	—	—	—	—	—	(873,467)	(873,467)
Balance at September 30, 2025	**78,707**	**8**	**—**	**—**	**89,712,500**	**(85,464,443)**	**4,248,065**
Balance at December 31, 2025	**531,968**	**53**	**1,674**	**—**	**100,331,014**	**(94,442,098)**	**5,888,969**
Equity-based compensation expense	**—**	**—**	**—**	**—**	**213,044**	**—**	213,044
Net loss	**—**	**—**	**—**	**—**	**—**	(2,224,628)	(2,224,628)
Balance at March 31, 2026	**531,968**	**53**	**1,674**	**—**	**100,544,058**	**(96,666,726)**	**3,877,385**
Issuance of equity securities and other, net	—	—	—	—	2,611,144	—	2,611,144
Equity-based compensation expense	—	—	—	—	206,177	—	206,177
Net loss	—	—	—	—	—	(2,373,800)	(2,373,800)
Balance at June 30, 2026	**531,968**	**53**	**1,674**	**—**	**103,361,379**	**(99,040,526)**	**4,320,906**
Warrants exercised for cash, net	1,776,651	178	—	—	2,959,707	—	2,959,885
Equity-based compensation expense	76,663	7	—	—	253,467	—	253,474
Net loss	—	—	—	—	—	(2,987,830)	(2,987,830)
Balance at September 30, 2026	**2,385,282**	**238**	**1,674**	**—**	**106,574,553**	**(102,028,356)**	**4,546,435**

Historical common stock and additional paid-in capital amounts have been recast to reflect the 1-for-15 and 1-for-12 reverse stock splits effected on August 15, 2025 and March 6, 2026, respectively.

See accompanying notes to condensed consolidated financial statements.

DECOY THERAPEUTICS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. ORGANIZATION AND OPERATIONS

Nature of Business

Decoy Therapeutics Inc. (“Decoy” or the “Company”), together with its subsidiaries, Salarius Pharmaceuticals, LLC, Flex Innovation Group LLC, and TK Pharma, Inc., is a pre-clinical stage biotechnology company focused on advancing our pipeline of peptide conjugate therapeutics engineered through a proprietary IMP^{3}ACT™ platform. Utilizing a novel IMP^{3}ACT™ platform that increases the drug development speed and reduces the complexity of variant synthesis, the Company aims to build a robust portfolio of novel peptide conjugate therapeutics, initially focusing on infectious diseases and oncology. The Company currently has no products approved for commercial sales and has not generated any revenue from product sales.

Prior to January 8, 2026, the Company was known as Salarius Pharmaceuticals, Inc. (“Salarius”). In November 2025, Salarius completed a merger with Decoy Therapeutics Inc. (“Legacy Decoy”) and conducted financings to raise capital for its business (together, along with future steps set forth elsewhere in this Quarterly Report on Form 10-Q, the “Decoy Transaction”). We refer herein to the post-transaction entity as the “Combined Company.” In connection with the Decoy Transaction, on January 8, 2026, Salarius filed an amendment to its amended and restated certificate of incorporation to change its name to Decoy Therapeutics Inc. (the “Name Change”). Except where the context otherwise requires or where otherwise indicated, all historical references to “Salarius” in this report refer to the Company prior to the Name Change. Prior to the Name Change, the Combined Company’s shares of common stock traded on the Nasdaq Capital Market (“Nasdaq”) under the symbol “SLRX.” Following the Name Change, the Combined Company’s shares of common stock now trade on the Nasdaq under the symbol “DCOY.”

The Merger combines our complementary approaches to create a comprehensive drug development platform. The Company's IMP³ACT platform is generating a pipeline of Designable Multi-Antivirals ("D-MAV") candidates across respiratory viruses, designed to be extended, not rebuilt, when the next threat emerges. Additionally, the pipeline includes two small molecule drugs that address gene dysregulation: (1) SP-3164, a targeted protein degrader, and (2) seclidemstat (“SP-2577”), a targeted protein inhibitor. SP-2577 has received FDA fast track designation as a potential treatment for Ewing sarcoma, a rare pediatric disease. We have supported The University of Texas MD Anderson Cancer Center (“MDACC”) in MDACC’s sponsored clinical trial evaluating SP-2577 in combination with azacytidine in adult patients with myelodysplastic syndromes and chronic myelomonocytic leukemia through December 2025. No further enrollment is planned. The Company is seeking strategic alternatives for this program including potential out-licensing. The Company plans to integrate certain assets, particularly the proprietary compound SP-3164, to expand the Company's opportunities in creating a novel class of peptide conjugates called peptide-based proteolysis targeting chimeras (“P-PROTACs”). The Company believes the synergies from the Merger are evident in our combined approach to drug development, integrating expertise in peptide conjugates with our small molecule assets. This combination enables the Company to address a wider range of diseases and potentially “undruggable” targets.

Going Concern

Decoy has no products approved for commercial sale, has not generated any revenue from product sales to date and has had recurring losses from operations since its inception. The lack of revenue from product sales to date and recurring losses from operations since its inception raise substantial doubt as to the Company's ability to continue as a going concern. The accompanying financial statements are prepared using accounting principles generally accepted in the United States applicable to a going concern entity, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities should the Company be unable to continue as a going concern. Based on Decoy's expected cash requirements, Decoy believes that there is substantial doubt that its existing cash and cash equivalents, will be sufficient to fund its operations through one year from the financial statements' issuance date. The Company may attempt to obtain additional capital through the sale of equity securities in one or more offerings or through issuances of debt instruments, and may also consider new collaborations or selectively partnering its technology. However, the Company cannot provide any assurance that it will be successful in accomplishing any of its plans.

If the Company is unable to obtain additional capital in the very near term, it will be forced to cease operations, liquidate its assets and pursue the winding down and dissolution of the Company.

Reverse Stock Splits

On March 5, 2026, the Company filed a Certificate of Amendment to the Company's restated certificate of incorporation, as amended, with the Secretary of State of the State of Delaware to effect a 1-for-12 reverse stock split of the Company's issued and outstanding shares of common stock, par value $0.0001 per share (the "2026 Reverse Stock Split") which became effective as of March 6, 2026.

On August 15, 2025, the Company filed a Certificate of Amendment to the Company's restated certificate of incorporation, as amended, with the Secretary of State of the State of Delaware to effect a 1-for-15 reverse stock split of the Company's issued and outstanding shares of common stock, par value $0.0001 per share which became effective as of August 15, 2025. (the "2025 Reverse Stock Split", and together with the 2026 Reverse Stock Split, the "Reverse Stock Splits").

All historical share and per share amounts reflected throughout this report have been adjusted to reflect the Reverse Stock Splits.

NOTE 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP"). Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standard Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries as of September 30, 2026. All significant intercompany balances and transactions have been eliminated in consolidation.

Unaudited Interim Financial Information

The accompanying interim financial statements are unaudited. These unaudited interim financial statements have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for interim financial information. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. These unaudited interim financial statements should be read in conjunction with the audited financial statements and accompanying notes for the year ended December 31, 2025 included elsewhere in the Company's Annual Report on Form 10-K filed with the SEC on March 31, 2026. In the opinion of management, the unaudited interim financial statements reflect all the adjustments (consisting of normal recurring adjustments) necessary to state fairly the Company's financial position as of September 30, 2026 and the results of operations for the three and nine months ended September 30, 2026 and 2025. The interim results of operations are not necessarily indicative of the results that may occur for the full fiscal year. The December 31, 2025 balance sheet included herein was derived from the audited financial statements, but does not include all disclosures, including notes, required by GAAP for complete financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as defined by the FASB ASC requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash, Cash Equivalents, and Restricted Cash

Decoy considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Approximately $2.5 million and $3.0 million of our September 30, 2026 and December 31, 2025 cash positions, respectively, are restricted for use under our Gates Foundation Grant Agreement.

Financial Instruments and Credit Risks

Financial instruments that potentially subject the Company to credit risk include cash and cash equivalents. Cash is deposited in demand accounts in federally insured domestic institutions to minimize risk. Insurance is provided through the Federal Deposit Insurance Corporation. Although the balances in these accounts exceed the federally insured limit from time to time, the Company has not incurred losses related to these deposits.

Warrants

The Company determines whether warrants should be classified as a liability or equity. For warrants classified as liabilities, the Company estimates the fair value of the warrants at each reporting period using Level 3 inputs with changes in fair value recorded in the Condensed Consolidated Statement of Operations within change in fair value of warrant liability. The estimates in valuation models are based, in part, on subjective assumptions, including but not limited to stock price volatility, the expected life of the warrants, the risk-free interest rate and the fair value of the common stock underlying the warrants, and could differ materially in the future. In the event of warrants classified as a liability, the Company would adjust the fair value of the warrant liability at the end of each reporting period for changes in fair value from the prior period until the earlier of the exercise or expiration of the applicable warrant. For warrants classified as equity contracts, the Company allocates the transaction proceeds to the warrants and any other free-standing instruments issued in the transaction based on an allowable allocation method.

Research and Development Costs

Research and development costs consist of expenses incurred in performing research and development activities, including pre-clinical studies. Research and development costs include salaries and personnel-related costs, consulting fees, fees paid for contract research services, the costs of laboratory equipment and facilities, license fees and other external costs. Research and development costs are expensed when incurred.

Equity-Based Compensation

Decoy measures equity-based compensation based on the grant date fair value of the awards and recognizes the associated expense in the financial statements over the requisite service period of the award, which is generally the vesting period.

The Company uses the Black-Scholes option valuation model to estimate the fair value of stock options granted to employees and directors. Assumptions utilized in these models include expected volatility calculated based on implied volatility from traded stocks of peer companies, dividend yield and risk-free interest rate. Additionally, forfeitures are accounted for in compensation cost as they occur. Restricted stock and restricted stock units granted to employees and directors are measured at fair value based upon the closing price of the Company's common stock on the grant date.

Loss Per Share

Basic net loss per share is calculated by dividing the net loss applicable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Since the Company was in a loss position for all periods presented, diluted net loss per share is the same as basic net loss per share for all periods, as the inclusion of all potential common shares outstanding is anti-dilutive.

The number of potentially anti-dilutive shares, consisting of common shares underlying (i) common stock options, (ii) stock purchase warrants, (iii) rights entitling holders to receive warrants to purchase the Company's common shares, and (iv) restricted stock units which have been excluded from the computation of diluted loss per share, was approximately 5,721,481 and 657 shares as of September 30, 2026 and 2025, respectively.

Income Taxes

Income taxes are recorded in accordance with FASB ASC Topic 740, Income Taxes ("ASC 740"), which provides for deferred taxes using an asset and liability approach. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and the tax reporting basis of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. The Company provides a valuation allowance against net deferred tax assets unless, based upon the available evidence, it is more likely than not that the deferred tax assets will be realized. The Company has evaluated available evidence and concluded that the Company may not realize the benefit of its deferred tax assets; therefore, a valuation allowance has been established for the full amount of the deferred tax assets.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. As of September 30, 2026 and December 31, 2025, the Company did not have any significant uncertain tax positions and no interest or penalties have been charged. The Company's practice is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company is subject to routine audits by taxing jurisdictions.

NOTE 3. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets at September 30, 2026 and December 31, 2025 consisted of the following:

	September 30, 2026	December 31, 2025
Prepaid insurance	$ 3,140	$ —
Other prepaid expenses and current assets	209,173	275,223
Total prepaid expenses and other current assets	$ 212,313	$ 275,223

Other prepaid assets primarily include unamortized subscription fees, as well as security deposits related to our operating lease and equipment.

NOTE 4. DEFERRED REVENUE AND GRANT REVENUE

Cash received from grants in advance of incurring qualifying costs is recorded as deferred revenue and recognized as revenue when qualifying costs are incurred. Deferred revenue balances were $2.7 million and $3.2 million as of September 30, 2026 and December 31, 2025, respectively.

Legacy Decoy has received grants from two funding sources, including a private not-for-profit organization and a federal agency. Funds received in advance of services being performed are recorded as deferred revenue. Income under the not-for-profit and federal agency grants is recognized as labor and material costs are incurred. Labor costs are recognized based on actual salary costs incurred related to the projects, and material costs are recognized based on actual expenditures. Grant revenue was approximately $0.3 million and $0, for the three months ended September 30, 2026 and 2025, respectively; and $0.5 million and $0, for the nine months ended September 30, 2026 and 2025, respectively.

NOTE 5. COMMITMENTS AND CONTINGENCIES

Gates Foundation

The Company received a foundation grant from the Gates Foundation for the development of a nasally inhaled, low cost, peptide conjugate pan-Coronavirus antiviral inhibitor. The initial award on September 6, 2021 provided up to a total of approximately $904,000 and expired on February 28, 2023. Legacy Decoy initially recorded the proceeds in deferred revenue. As work commenced under the grant, the Company recognized income from deferred revenue.

In 2023 the Company entered into a supplemental grant with the Gates Foundation for an additional $4,084,500 for continued work on the nasally inhaled, low cost, peptide conjugate pan-Coronavirus antiviral inhibitor referenced above. The Company received payment of $3,500,000 on September 28, 2023. The remaining $584,500 will be received after the completion of certain milestones.

The Company had approximately $2.5 million and $2.4 million in restricted cash and deferred revenue related to this grant at September 30, 2026; and $2.9 million in both restricted cash and deferred revenue balance related to this grant at December 31, 2025.

The Company recognized grant revenue related to this grant of approximately $0.3 million and $0 for the three months ended September 30, 2026 and 2025, respectively; and $0.5 million and $0, for the nine months ended September 30, 2026 and 2025 respectively.

Johnson and Johnson Quickfire Grants

The Company received a grant from Johnson and Johnson through the U.S. government’s Blue Knight Program (Quickfire Grant) for experiments relating to the pharmacokinetics and tolerability of the aforementioned pan-Coronavirus inhibitor in the Human Airway Epithelium (HAE) model. On March 25, 2024 the Company received an additional $250,000 Quickfire Grant. At September 30, 2026 and December 31, 2025 the Company recorded the $250,000 proceeds from the Quickfire Grant in deferred revenue, and no revenue was recognized during each of the nine months ended September 30, 2026 and 2025.

Cancer Prevention and Research Institute of Texas

In June 2016, the Company entered into a Cancer Research Grant Contract with CPRIT. Pursuant to the contract, CPRIT awarded the Company $16.1 million to fund development of an LSD 1 inhibitor. The grant expired in 2023.

The Company agreed to grant to CPRIT a nonexclusive, irrevocable, royalty-free, perpetual, worldwide license with right to sublicense any necessary additional intellectual property rights to exploit all Project Results by CPRIT, other governmental entities and agencies of the State of Texas, and private or independent institutions of higher education located in Texas, for education, research and other non-commercial purposes. The Company is obligated to make revenue-sharing payments to CPRIT with respect to net sales of any product covered by the contract, up to a maximum repayment of a certain percentage of the aggregate amount paid to the Company by CPRIT under the CPRIT contract.

License Agreement with the University of Utah Research Foundation

In 2011, the Company entered into a license agreement with the University of Utah, under which the Company acquired a license to LSD 1. In exchange for the license, the Company issued 2% equity ownership in the Company based on a fully diluted basis at the effective date of the agreement and subject to certain adjustments specified in the agreement, granted revenue sharing rights on any resulting products or processes to commence on first commercial sale, and milestone payments based upon regulatory approval of any resulting product or process as well as on the second anniversary of first commercial sale.

Lease Agreement

The Company presently leases office and laboratory space under operating lease agreements on a month-to-month basis.

NOTE 6. FAIR VALUE OF FINANCIAL INSTRUMENTS

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. A fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last is considered unobservable, are used to measure fair value:

Level 1 -	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 -	Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3 -	Significant unobservable inputs including Decoy’s own assumptions in determining fair value.

The Company believes the recorded values of its financial instruments, including cash and cash equivalents, and accounts payable approximate their fair values due to the short-term nature of these instruments.

NOTE 7. RELATED PARTY TRANSACTIONS

Before the merger closed in November 2025, one officer/founder of the Company had an outstanding Demand Note in the principal amount of $55,555, plus accrued interest of approximately $13,000. This note accrues interest at 10% and had a maturity date of December 28, 2024. An agreement to exchange this note for Salarius Series B Preferred Stock was executed and the note was extinguished at the closing of the Merger.

In addition to the Demand Note with the above mentioned officer/founder, one family member of an officer/founder of the Company had an outstanding Demand Note in the amount of $83,333, plus accrued interest of approximately $22,000 and an outstanding Promissory Note in the amount of $100,000, plus accrued interest of approximately $20,000. An agreement to exchange the notes for Salarius Series B Preferred Stock was executed and the notes were extinguished at the closing of the Merger in November 2025. During the second half of 2024 and first half of 2025, founders of Legacy Decoy loaned Legacy Decoy approximately $140,000 through non- interest bearing, open-ended maturity notes. As of July 22, 2025 these notes were amended to extend the maturity date to November 2026.

NOTE 8. STOCKHOLDERS' EQUITY

Warrant Inducement - September 2026

On September 22, 2026, the Company entered into a warrant inducement letter agreement (the “Inducement Letter”) with a holder (the “Holder”) of the Company’s outstanding Series A, Series B and Series C milestone-based common warrants issued on June 29, 2026 (the “Milestone Warrants”), pursuant to which the Holder agreed to exercise for cash, in full, the Series B Milestone Warrants (the “Existing Warrants”) to purchase an aggregate of 1,184,434 shares of the Company’s common stock, par value $0.0001 per share (the “Common Stock”).

Pursuant to the Inducement Letter, the Company agreed to reduce the exercise price of the Existing Warrants from $5.91 per share to $3.25 per share. In connection with the transaction, the exercise price of the Company's outstanding Series A Milestone Warrants and Series C Milestone Warrants was also reduced from $5.91 per share to $3.25 per share; the other terms of such warrants were not amended. The Existing Warrants were exercised in full on September 22, 2026, and the transaction closed on September 23, 2026, resulting in aggregate gross proceeds to the Company of approximately $3.85 million, before deducting placement agent fees and other expenses. The Company intends to use the net proceeds for working capital and other general corporate purposes.

As consideration for the immediate exercise of the Existing Warrants, on September 23, 2026, the Company issued to the Holder in a private placement new unregistered warrants (the “New Warrants”) to purchase up to 2,368,868 shares of Common Stock, representing 200% of the number of shares underlying the exercised Existing Warrants, replacing the June 2026 Milestone B warrants. The New Warrants have an exercise price of $3.25 per share, are exercisable immediately upon issuance and will expire on the fifth anniversary of the date of issuance.

Private Placement Transaction - June 2026

On June 26, 2026, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with the Holder for a private placement (the "Private Placement") of the Company's securities. Pursuant to the Purchase Agreement, the Company issued and sold to the Holder, at a purchase price of $5.91 per share (the "Per Share Purchase Price"), (i) an aggregate of 592,217 shares of the Company's common stock, par value $0.0001 per share, or pre-funded warrants in lieu thereof for any portion of the Holder's investment that would otherwise result in the Holder exceeding the Beneficial Ownership Limitation (the "Pre-Funded Warrants"), and (ii) accompanying milestone-based Series A, Series B and Series C common warrants. The purchase price per Pre-Funded Warrant was equal to the Per Share Purchase Price, less $0.0001. The Series A, Series B and Series C Warrants entitle the Holder to purchase up to 100%, 200% and 200%, respectively, of the number of shares purchased (including shares underlying the Pre-Funded Warrants), in each case at an exercise price of $5.91 per share. During three months ended September 30, 2026, all Series B warrants were exercised at $3.25 per share and the exercise price of Series A and Series C warrants is reduced to $3.25 per share. Each Milestone Warrant will expire on the earlier of (i) the 90th day following the date of the applicable Milestone Event and (ii) June 26, 2031. With respect to the Series A Warrants, the “Milestone Event” means the later of (a) the date of the filing by the Company of a Clinical Trial Application with the applicable competent regulatory authority in the European Economic Area to commence a Phase 1 clinical trial and (b) the date the Company obtains approval of its stockholders for the exercise of the Milestone Warrants and the issuance of the underlying shares of Common Stock as required under the applicable Nasdaq rules and regulations

(the "Stockholder Approval Date"). With respect to the Series B Warrants, the “Milestone Event” means the later of (a) the date on which the Company provides notice to the holder of the Company’s receipt of formal written approval from the Medicines and Healthcare products Regulatory Agency to conduct a Phase 2a human challenge trial in the United Kingdom and (b) the Stockholder Approval Date. With respect to the Series C Warrants, the “Milestone Event” means the later of (a) the Company’s public announcement that the Phase 2a human challenge trial conducted in the United Kingdom met its primary endpoint and (b) the Stockholder Approval Date.

Gross proceeds from the Private Placement were approximately $3.5 million, before deducting placement agent fees and other offering expenses, and excluding any proceeds from future exercise of the Milestone Warrants. The Private Placement closed on June 29, 2026.

All Pre-Funded Warrants were exercised during the three months ended September 30, 2026.

Common Stock Issuances

During the nine months ended September 30, 2025 the Company sold 38,458 shares of common stock in an "at the market offering" with gross proceeds of $2.8 million.

The Company issued 32,250 shares of common stock with proceeds of $4.5 million during the nine months ended September 30, 2025 pursuant to the ELOC Agreement.

Preferred Stock Issued to Legacy Decoy Stockholders and Debtholders

In November 2025, the Company issued 877.709 shares of Series A Non-Voting Convertible Preferred Stock (the "Series A Stock") and 796.306 shares of Series B Non-Voting Convertible Preferred Stock (the "Series B Stock") to former Legacy Decoy stockholders and debtholders. In connection with the adjustment to the conversion ratio in the certificate of designations for the Series A and Series B Preferred stock triggered by the offering, the number of Company common shares underlying the issued and reserved shares of Series A and Series B Preferred Stock is 401,126. The shares of Series A Preferred Stock and Series B Preferred Stock are not convertible into common stock until such time as the Company’s stockholders approve such conversion in accordance with Nasdaq Rule 5635 and the approval of the Company’s initial listing application with Nasdaq. As of September 30, 2026 and December 31, 2025, no shares have been converted.

Warrants (see also Private Placement Transaction and Warrant Inducement above)

In connection with the offering that closed on November 12, 2025, Salarius issued pre-funded warrants to purchase up to 179,361 shares of Common Stock. All pre-funded warrants from this offering were fully exercised as of December 31, 2025. The Company also issued Series A warrants to purchase up to 388,889 shares of Common Stock, Series B warrants to purchase up to 388,889 shares of Common Stock, and up to 58,333 additional shares of Common Stock, Series A warrants to purchase up to an additional 58,333 shares of Common Stock and Series B warrants to purchase up to an additional 58,333 shares of Common Stock that may be purchased pursuant to a 45-day option to purchase additional securities granted to the Representative by the Company. The Company also issued warrants to the Representative to purchase up to 22,218 shares of Common Stock at an exercise price of $27.90 (the “Representative Warrants”). The Representative Warrants are exercisable at any time and from time to time, in whole or in part, until November 11, 2030, and have substantially similar terms to the Series A warrants. All Series A warrants, Series B warrants and Representative Warrants are outstanding at September 30, 2026 and December 31, 2025. All numbers were adjusted for the 1-for-12 reverse stock split, effective on March 6, 2026.

As of September 30, 2026 approximately 5,291,598 warrants remained outstanding.

	Warrants	Weighted Average

		Exercise Price
Outstanding at December 31, 2024	**3,116**	$ 6,162
Expired	(109)	
Canceled	(2,526)	
Outstanding at September 30, 2025	**481**	
Outstanding at December 31, 2025	**932,991**	$ **26.06**
Granted	6,135,368	$ 3.25
Exercised	(1,776,651)	
Expired	(110)	
Outstanding at September 30, 2026	**5,291,598**	$ **7.27**

The terms of the outstanding warrants require the Company, upon the consummation of any fundamental transaction to, among other obligations, cause any successor entity resulting from the fundamental transaction to assume the Company's obligations under the warrants and the associated transaction documents. In addition, holders of warrants are entitled to participate in any fundamental transaction on an as-converted or as-exercised basis, which could result in the holders of the Company's common stock receiving a lesser portion of the consideration from a fundamental transaction. The terms of the warrants could also impede the Company's ability to enter into certain transactions or obtain additional financing in the future.

NOTE 9. EQUITY-BASED COMPENSATION

Equity Incentive Plans

The Company has granted options to employees, directors, and consultants under the 2015 Equity Incentive Plan (the "2015 Plan"). The 2015 Plan expired in accordance with its terms in January 2025 and the 2026 Equity Incentive Plan was approved by its stockholders in February 2026. The 2026 Equity Incentive Plan provides for the grant of incentive stock options ("ISOs"), nonstatutory stock options, restricted stock awards, restricted stock units, stock appreciation rights, performance-based stock awards and other stock-based awards. Additionally, the 2026 Equity Incentive Plan provides for the grant of performance-based cash awards. ISOs may be granted only to the Company's employees. All other awards may be granted to the Company's employees, including officers, and to non-employee directors and consultants.

During the three and nine months ended September 30, 2026, the Company awarded 76,663 shares of restricted stock to its officers and directors, pursuant to the plan described above. The restricted stock awards are valued at the closing price of $3.05 of the Company's common stock on the grant date, and generally vest over one to three years. Total fair value of the restricted stock awards during the three and nine months ended September 30, 2026 is $0.2 million. No restricted stock awards were awarded during the three and nine months ended September 30, 2025.

During the three and nine months ended September 30, 2026 and 2025, the Company awarded 15,004 and 0 stock options, to its employees, pursuant to the plan described above. Stock options are valued using the Black-Scholes option pricing model and compensation cost is recognized based on the resulting value over the service period. Expected volatilities utilized in the model are based on implied volatilities from traded stocks of peer companies. Similarly, the dividend yield is based on historical experience and the estimate of future dividend yields. The risk-free interest rate is derived from the U.S. Treasury yield curve in effect at the time of grant. The expected term of the options is based on the average period the stock options are expected to remain outstanding. The fair value of the option grants awarded during the three and nine months ended September 30, 2026 was $0.04 million, which has been estimated with the following assumptions on the grant date.

	Three and nine months ended September 30, 2026
Risk-free interest rate	4.56%
Volatility	134.67%
Expected life (years)	6
Expected dividend yield	0%

The following table summarizes stock option activity for employees and non-employees for the three and nine months ended September 30, 2026 and 2025:

	Shares	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding at December 31, 2024	175	$ 12,015.00	8.2
Granted	—		
Exercised	—		
Forfeited	—		
Expired	—		
Outstanding at September 30, 2025	175	$ 11,953.56	7.46
Exercisable at September 30, 2025	161	$ 12,632.16	7.41
			.
Outstanding at December 31, 2025	13,723	$ 480.70	7.51
Granted	15,004		
Exercised	—		
Forfeited	—		
Expired	—		
Outstanding at September 30, 2026	28,727	$ 231.08	8.42
Exercisable at September 30, 2026	16,391	$ 351.90	7.51

(1) Shares and weighted average exercise price have been recast to reflect the 1-for-15 and 1-for-12 reverse stock splits effected on August 15, 2025 and March 6, 2026, respectively.

As of September 30, 2026 and December 31, 2025, there was approximately $0.5 million and $1.1 million, respectively, of total unrecognized compensation cost related to unvested stock options. Total unrecognized compensation cost will be adjusted for future changes in employee and non-employee forfeitures, if any. The Company expects to recognize that cost over a remaining weighted-average period of 1.61 years.

NOTE 10. SEGMENT REPORTING

The Company had historically been concentrated on developing treatments for cancers caused by dysregulated gene expression. The current pipeline consists of two small molecule drugs: (1) SP-3164, a targeted protein degrader, and (2) seclidemstat ("SP-2577"), a targeted protein inhibitor. Since the completion of the Merger, the Company has focused on the IMP^{3}ACT Platform, a single molecule that can activate or inhibit multiple targets/receptors in an additive or synergistic manner to achieve superior or multi-indication efficacy. The Company does not have any revenue generating products.

For the three and nine months ended September 30, 2026 and 2025, the Company identified one operating and reportable segment relating to its operations. The Company defines its operating segment based on internally reported financial information that is regularly reviewed by the Chief Operating Decision Maker (the "CODM"), its Chief Executive Officer. The CODM reviews the segment's loss based on net loss reported on the consolidated statement of operations.

The Company's CODM views specific categories within research and development expenses and general and administrative expenses as significant given the direct correlation between cash burn as a pre-revenue company. The table below is a summary of the segment loss, including significant segment expenses:

	Three-Months Ended September 30		Nine-Months Ended September 30	
	2026	**2025**	**2026**	**2025**
Grant Revenue	$ 307,430	$ -	$ 535,059	$ -
Expenses:				
Research and development:				
SP-3164	$ -	$ 20,769	$ 15,160	$ 50,212
SP-2577	40,853	41,057	74,930	203,529
IMP^{3}ACT (Designable Multi-Antivirals)	1,533,154	-	3,538,075	-
General and administrative:				
Professional services and Consulting	810,446	368,400	2,397,051	2,117,509
Personnel cost	695,213	180,897	1,559,193	612,938
Insurance expenses	118,866	172,618	361,523	588,527
Facility cost and other	122,034	111,389	289,395	6,675
Loss from operations	3,013,136	895,130	7,700,268	3,579,390
Interest income, net	25,306	21,663	114,010	38,565
Net loss	$ 2,987,830	$ 873,467	$ 7,586,258	$ 3,540,825

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the unaudited financial information and the notes thereto included herein, as well as our audited financial statements and notes thereto contained in our Annual Report *on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 31, 2026. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those set forth under "Part I - Item 1A - Risk Factors" discussed in our* Annual Report *on Form 10-K for the year ended December 31, 2025, in other subsequent filings with the SEC, and elsewhere in this Quarterly Report on Form 10-Q. These statements, like all statements in this report, speak only as of the date of this Quarterly Report on Form 10-Q (unless another date is indicated), and we undertake no obligation to update or revise these statements in light of future developments.*

Overview

We are a pre-clinical stage biotechnology company focused on advancing our pipeline of peptide conjugate therapeutics engineered through our proprietary IMP^{3}ACT™ platform. Our IMP^{3}ACT™ platform represents a paradigm shift in peptide conjugate drug discovery and manufacturing, leveraging machine learning ("ML") and artificial intelligence ("AI") tools alongside high-speed synthesis techniques to rapidly engineer, optimize and manufacture peptide conjugates that target serious unmet medical needs. Peptide conjugates are emerging as a major therapeutic drug modality, with the potential to transform multiple therapeutic areas. Utilizing our novel IMP^{3}ACT™ platform that increases the drug development speed and reduces the complexity of variant synthesis, we aim to build a robust portfolio of novel peptide conjugate therapeutics, initially focusing on infectious diseases and oncology, with the goal of becoming a fully integrated biopharmaceutical company at the forefront of this field. Through this approach, we intend to revolutionize the design, development, and commercialization of peptide conjugate therapeutics. We have no products approved for commercial sales and have not generated any revenue from product sales.

Prior to January 8, 2026, we were known as Salarius Pharmaceuticals, Inc. ("Salarius"). In November 2025, Salarius completed a merger (the "Merger") with Legacy Decoy and conducted financings to raise capital for its business (together, along with future steps set forth elsewhere in this report, the "Decoy Transaction"). We refer herein to the post-transaction entity as the "Combined Company." In connection with the Decoy Transaction, on January 8, 2026, Salarius filed an amendment to its amended and restated certificate of incorporation to change its name to Decoy Therapeutics Inc. (the "Name Change"). Except where the context otherwise requires or where otherwise indicated, all historical references to "Salarius" in this report refer to the Company prior to the Name Change. Prior to the Name Change, the Combined Company's shares of common stock traded on the Nasdaq Capital Market ("Nasdaq") under the symbol "SLRX." Following the Name Change, the Combined Company's shares of common stock now trade on the Nasdaq under the symbol "DCOY."

The Merger combined our complementary approaches to create a comprehensive drug development platform. The Decoy IMP³ACT platform is generating a pipeline of Designable Multi-Antivirals ("D-MAV") candidates across respiratory viruses, designed to be extended, not rebuilt, when the next threat emerges. Additionally, two small molecule drugs that address gene dysregulation: (1) SP-3164, a targeted protein degrader, and (2) seclidemstat ("SP-2577"), a targeted protein inhibitor are legacy Salarius clinical candidates which received FDA fast track designation as a potential treatment for Ewing sarcoma, a rare pediatric disease. We supported The University of Texas MD Anderson Cancer Center ("MDACC") in MDACC's sponsored clinical trial evaluating SP-2577 in combination with azacytidine in adult patients with myelodysplastic syndromes and chronic myelomonocytic leukemia through December, 2025. No further enrollment is planned. We are seeking strategic alternatives for this program including potential out-licensing.

We plan to integrate SP-3164 to expand our opportunities in creating a novel class of peptide conjugates called peptide-based proteolysis targeting chimeras ("P-PROTACs"). We believe the synergies from the Merger are evident

in our combined approach to drug development, integrating expertise in peptide conjugates with our small molecule assets. This combination enables us to address a wider range of diseases and potentially "undruggable" targets.

Recent Developments

Warrant Inducement

On September 22, 2026, we entered into a warrant inducement letter agreement (the "Inducement Letter") with a holder (the "Holder") of our outstanding Series A, Series B and Series C milestone-based common warrants issued on June 29, 2026 (the "Milestone Warrants"), pursuant to which the Holder agreed to exercise for cash, in full, the Series B Milestone Warrants (the "Existing Warrants") to purchase an aggregate of 1,184,434 shares of our common stock, par value $0.0001 per share (the "Common Stock").

Pursuant to the Inducement Letter, we agreed to reduce the exercise price of the Existing Warrants from $5.91 per share to $3.25 per share. In connection with the transaction, the exercise price of our outstanding Series A Milestone Warrants and Series C Milestone Warrants was also reduced from $5.91 per share to $3.25 per share; the other terms of such warrants were not amended. The Existing Warrants were exercised in full on September 22, 2026, and the transaction closed on September 23, 2026, resulting in aggregate gross proceeds to the Company of approximately $3.85 million, before deducting placement agent fees and other expenses. We intend to use the net proceeds for working capital and other general corporate purposes.

As consideration for the immediate exercise of the Existing Warrants, on September 23, 2026, we issued to the Holder in a private placement new unregistered warrants (the "New Warrants") to purchase up to 2,368,868 shares of Common Stock, representing 200% of the number of shares underlying the exercised Existing Warrants. The New Warrants have an exercise price of $3.25 per share, are exercisable immediately upon issuance and will expire on the fifth anniversary of the date of issuance.

Results of Operations

Three months ended September 30, 2026 Compared to the three months ended September 30, 2025

The following table sets forth the condensed consolidated results of our operations for the three months ended September 30, 2026 compared to September 30, 2025.

	Three Months Ended September 30,			
	2026	**2025**	**$ Change**	**%**
Grant Revenue	$ 307,430	$ -	$ 307,430	-
Research and development expenses	1,574,007	61,826	1,512,181	2446%
General and administrative expenses	1,746,559	833,304	913,255	110%
Interest income and other, net	25,306	21,663	3,643	17%
Net loss	**$ 2,987,830**	**$ 873,467**	**2,114,363**	242 %

Grant Revenue

Grant revenue, which was derived solely from the Gates Foundation grant, was $0.3 million and $0 million during the three months ended September 30, 2026 and 2025, respectively. The increase in revenue was due to an increase in overall expenses allowed by the grant. Given the nature of the development process, grant revenue will fluctuate depending on the stage of development and the timing of expenses.

Research and Development Expenses

Research and development expenses increased during the three months ended September 30, 2026 compared to the same period in 2025 primarily related to the Merger in November 2025 and the resulting addition of the IMP³ACT (Designable Multi-Antivirals) program. We anticipate higher research and development expense in upcoming quarters as the Company continues on its intended path to file an IND application with the FDA or the European equivalent CTA during the second half of 2027.

Research and development costs by candidates and by categories:	SP-2577		SP-3164		IMP3ACT	
	Three months ended September 30,					
	2026	2025	2026	2025	2026	2025
Outsourced research and development costs	476	30,111	—	5,250	626,288	—
Employee-related costs	—	—	—	—	677,959	—
Manufacturing and laboratory costs	40,376	10,946	—	15,519	228,908	—
Total research and development costs	**$ 40,852**	**$ 41,057**	**$ —**	**$ 20,769**	**$ 1,533,155**	**$ —**

General and Administrative Expenses

General and administrative expenses were $1.7 million during the three months ended September 30, 2026, compared to $0.8 million for the three months ended September 30, 2025. The increase was primarily attributable to the inclusion of Legacy Decoy's operations in the current quarter following the Merger, which closed in November 2025.

Nine months ended September 30, 2026 Compared to the nine months ended September 30, 2025

The following table sets forth the condensed consolidated results of our operations for the nine months ended September 30, 2026 compared to September 30, 2025.

	Nine Months Ended September 30,			
	2026	2025	$ Change	%
Grant Revenue	$ 535,059	$ -	$ 535,059	-
Research and development expenses	3,628,165	253,741	3,374,424	1330%
General and administrative expenses	4,607,161	3,325,649	1,281,512	39%
Interest income and other, net	114,009	38,565	75,444	196%
Net loss	**$ 7,586,258**	**$ 3,540,825**	4,045,433	114 %

Grant Revenue

Grant revenue, which was derived solely from the Gates Foundation grant, was $0.5 million and $0 million for the nine months ended September 30, 2026 and 2025, respectively. The increase in revenue was due to an increase in overall expenses allowed by the grant. Given the nature of the development process, grant revenue will fluctuate depending on the stage of development and the timing of expenses.

Research and Development Expenses

Research and development expenses increased during the nine months ended September 30, 2026 compared to the same period in 2025 primarily related to the Merger in November 2025 and the resulting addition of the IMP³ACT (Designable Multi-Antivirals) program. We anticipate higher research and development expense in upcoming quarters

as the Company continues on its intended path to file an IND application with the FDA or the European equivalent CTA during the second half of 2027.

Research and development costs by candidates and by categories:	SP-2577		SP-3164		IMP3ACT	
	Nine months ended September 30,					
	2026	2025	2026	2025	2026	2025
Outsourced research and development costs	23,090	102,398	—	5,250	1,284,791	—
Employee-related costs	—	—	—	—	1,605,574	—
Manufacturing and laboratory costs	51,840	101,131	15,160	44,962	647,710	—
Total research and development costs	**$ 74,930**	**$ 203,529**	**$ 15,160**	**$ 50,212**	**$ 3,538,075**	**$ —**

General and Administrative Expenses

General and administrative expenses were $4.6 million during the nine months ended September 30, 2026, compared to $3.3 million for the nine months ended September 30, 2025. The increase was primarily attributable to the inclusion of Legacy Decoy's operations in the current quarter following the Merger, which closed in November 2025.

Liquidity and Capital Resources

Overview

Since inception, we have incurred operating losses and we anticipate that we will continue to incur losses for the foreseeable future. We have not generated any cash inflows from product sales. We do not know when, or if, we will generate any revenue from product sales. We do not expect to generate any revenue from product sales unless and until we obtain regulatory approval for and commercialize any of our potential product candidates, all of which are in early stages of development.

As of September 30, 2026, cash, cash equivalents, and restricted cash totaled $8.1 million, which were held in bank deposit accounts and a money market account. Approximately $2.5 million of our September 30, 2026 cash position is restricted for use under our Gates Foundation Grant Agreement and can only be used for specific development purposes. Working capital totaled $4.1 million as of September 30, 2026. Our cash, cash equivalents, and restricted cash balance decreased during the nine months ended September 30, 2026, primarily due to cash used in operating activities. We believe our current restricted cash and cash equivalents will be sufficient to fund our current and restructured operations into early 2027.

In June 2026, we closed a private placement pursuant to which we sold an aggregate of 592,217 shares of our common stock (or pre-funded warrants in lieu thereof) at a purchase price of $5.91 per share, together with accompanying milestone-based Series A, Series B and Series C common warrants. We received gross proceeds of approximately $3.5 million from this private placement, before deducting placement agent fees and other offering expenses.

In September 2026, we entered into a warrant inducement letter agreement with the holder of the above mentioned milestone-based warrant, pursuant to which the holder agreed to exercise for cash, in full, the Series B Milestone Warrants to purchase an aggregate of 1,184,434 shares of our common stock with aggregate gross proceeds of approximately $3.85 million, before deducting placement agent fees and other expenses.

During the nine months ended September 30, 2025 the Company sold 38,458 shares of common stock in an "at the market offering" with gross proceeds of $2.8 million.

The Company issued 32,250 shares of common stock with proceeds of $4.5 million during the nine months ended September 30, 2025 pursuant to the ELOC Agreement. No sales of common stock under either program were made during the nine months ended September 30, 2026.

We will need to raise additional capital to continue to fund the further development of product candidates and our operations. We may be unable to raise additional funds or enter into such agreements or arrangements on favorable terms, or at all. Additionally, equity or debt financings may have a dilutive effect on the holdings of our existing stockholders. If we are unable to maintain sufficient financial resources, our business, financial condition and results of operations could be materially and adversely affected. If we are unable to raise additional funds when needed, we may be required to delay, reduce or eliminate our product development or future commercialization efforts.

Cash Flows

	Nine Months Ended September 30,	
Net cash (used in) provided by:	**2026**	**2025**
Operating activities	$ (8,129,516)	$ (3,690,700)
Investing activities	(121,790)	(200,000)
Financing activities	5,709,440	6,265,852
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ (2,541,866)	$ 2,375,152

Operating Activities

Net cash used in operating activities was $8.1 million in the current period, an increase of approximately $4.4 million from the same period in 2025. The increase is primarily due to higher operating expenses during the current period compared to the same period in 2025, including research and development associated with the development of the IMP^{3}ACT Platform, professional costs associated with our Special Meeting of Shareholders in February 2026 and current period payments to lower accounts payable and accrued expense balances.

Investing Activities

Net cash used in investing activities was $0.1 million for the nine months ended September 30, 2026, primarily attributable to lab equipment purchase, no such purchases were made during the nine months ended September 30, 2025. Further, during the nine months ended September 30, 2025, the Company used $0.2 million related to the short term promissory note issued to Legacy Decoy.

Financing Activities

Net cash provided by financing activities for the nine months ended September 30, 2026 and 2025 was $5.7 million and $6.3 million, respectively. The decrease was primarily attributable to the Company's sale of equity securities under a private placement arrangement and warrant inducement program during the nine months ended September 30, 2026, as compared to proceeds from the ATM & ELOC program during the same period of 2025.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the condensed consolidated balance sheet and the reported amounts of expenses during the reporting period. In accordance with GAAP, we base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances at the time such estimates are made. Actual results may differ materially from our estimates and judgments under different assumptions or conditions. We periodically review our estimates in light of changes in circumstances, facts and experience. The effects of material revisions in estimates are reflected in our condensed consolidated financial statements prospectively from the date of the change in estimate.

There have been no material changes to our critical accounting policies from those described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K filed with the SEC on March 31, 2026.

Readers should refer to our Annual Report on Form 10-K, Note 2, Basis of Presentation and Significant Accounting Policies to the accompanying financial statements for descriptions of these policies and estimates.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide the information under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of September 30, 2026. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of September 30, 2026, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the three months ended September 30, 2026, there were no significant changes in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are not a party to any material legal proceedings on the date of this report. We may from time to time become involved in legal proceedings arising in the ordinary course of business, and the resolution of any such claims could be material.

Item 1A. Risk Factors

Except as set forth below, there have been no material changes from the risk factors set forth under Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2025.

Nasdaq's new $5.0 million market value standard for continued listing may, if implemented, threaten our ability to remain listed on the exchange.

On July 22, 2026, the SEC approved a new Nasdaq continued listing requirement (the "MVLS Rule") that required each Nasdaq listed issuer to maintain a minimum market value of listed securities of at least $5 million. Under the MVLS Rule, if the value of an issuer's listed securities, as measured by each applicable trading day's closing price, continues to be less than $5 million for a period of 30 consecutive trading days, the issuer's securities would immediately be delisted, with no compliance or cure period. The MVLS Rule would also preclude an issuer's ability to seek stay of delisting during any appeals process, and would preclude Nasdaq hearings panels from reversing the delisting determination to situations where there was an error and the company never actually failed to satisfy the requirement. The panel would also not be able to consider any facts indicating that an issuer subsequently regained compliance with the requirement or grant an issuer any additional time to regain compliance.

On July 29, 2026, the SEC notified Nasdaq that the order granting approval of the MVLS Rule had been stayed pending further review. It is unknown whether the SEC will affirm its order to approve the MVLS Rule following such review. If approved by the SEC, the MVLS Rule could become effective on an immediate basis. Our Common Stock currently trades at levels that are below the $5 million aggregate market value threshold proposed by Nasdaq. As such, if the MVLS Rule is approved by the SEC, our Common Stock could be imminently delisted by Nasdaq on this basis.

If the MVLS Rule is approved, we may be required to monitor our market value of listed securities closely and, if necessary, take actions such as issuing additional securities, raising additional capital or undertaking other corporate actions to seek to maintain compliance, any of which could dilute our existing shareholders, increase our costs, or divert management's attention. The risk of a rapid loss of Nasdaq listing, or an actual delisting, could adversely affect investor confidence, the liquidity and trading price of our Common Stock, and our ability to access the capital markets, and could have a material adverse effect on our business, financial condition and results of operations.

Further, if our Common Stock is delisted, we may seek to have our Common Stock quoted on an over-the-counter marketplace, such as on the OTCQX. The OTCQX is not a stock exchange, and if our Common Stock trades on the OTCQX rather than a securities exchange, there may be significantly less trading volume and analyst coverage of, and significantly less investor interest in, our Common Stock, which may lead to lower trading prices for our Common Stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable

Item 5. Other Information

During the fiscal quarter ended September 30, 2026, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (in each case, as defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Exhibit number	Description of Document
3.1	Amended and Restated Certificate of Incorporation of the Registrant, (incorporated by reference to Exhibit 3.1 of the Form 8-K filed on February 9, 2015)
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant filed with the Secretary of State of Delaware on July 18, 2019 (incorporated by reference to Exhibit 3.1 of the Form 8-K filed on July 22, 2019)
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation filed with the Secretary of State of Delaware on October 14, 2022 (incorporated by reference to Exhibit 3.1 of the Form 8-K filed on October 14, 2022)
3.4	Amended and Restated Bylaws of the Registrant, effective July 19, 2019 (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on July 22, 2019)
3.5	Amendment to Amended and Restated Bylaws of the Registrant, effective April 1, 2022 (incorporated by reference to Exhibit 3.1 of the Form 8-K filed on April 1, 2022)
3.6	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Salarius Pharmaceuticals, Inc., effective June 14, 2024 (incorporated by reference to Exhibit 3.1 of the Form 8-K filed on June 14, 2024)
3.7	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Salarius Pharmaceuticals, Inc., effective August 15, 2025 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on August 15, 2025)
3.8	Form of Certificate of Designation of Series A Non-Voting Convertible Preferred Stock (incorporated by reference to Exhibit 2.2 to the Registrant's Current Report on Form 8-K filed with the SEC on September 18, 2025)
3.9	Form of Certificate of Designation of Series B Non-Voting Convertible Preferred Stock (incorporated by reference to Exhibit 2.3 to the Registrant's Current Report on Form 8-K filed with the SEC on September 18, 2025).
3.10	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Salarius Pharmaceuticals, Inc., effective January 8, 2026 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 8, 2026).
3.11	Second Amended and Restated Bylaws of the Registrant, effective January 8, 2026 (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on January 8, 2026)
3.12	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Decoy Therapeutics Inc., effective March 6, 2026 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 5, 2026).
4.1*	Form of Common Warrant
10.1	Form of Warrant Inducement Letter Agreement, dated September 22, 2026, by and between the Registrant and the Holder (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on September 23, 2026)
31.1*	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
31.2*	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
32.1*	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Rule 13a-14(b) or 15d-14(b) of the Exchange Act and 18 U.S.C. Section 1350
101.0	The following materials from Decoy Therapeutics Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, formatted in XBRL (eXtensible Business Reporting Language):(i) Unaudited Condensed Consolidated Balance Sheets, (ii) Unaudited Condensed Consolidated Statements of

	Operations (iii) Unaudited Condensed Consolidated Statements of Stockholders' Equity (Deficit), (iv) Unaudited Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Unaudited Consolidated Financial Statements.
104	Cover Page Interactive Data File (embedded within the inline XBRL document and included in Exhibit 101)

* Filed herewith.

** The material contained in Exhibit 32.1 is not deemed “filed” with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DECOY THERAPEUTICS INC.

By: /s/ Frederick E. Pierce
Frederick E. Pierce
Chief Executive Officer (Principal Executive Officer)

By: /s/ Mark J. Rosenblum
Mark J. Rosenblum
Chief Financial Officer and Executive Vice President of Finance (Principal Financial Officer and Principal Accounting Officer)

Date: November 12, 2026

Exhibit 4.1

WARRANT
TO PURCHASE SHARES OF COMMON STOCK

DECOY THERAPEUTICS INC.

Warrant Shares: 2,368,868 Initial Exercise Date: September 23, 2026

THIS WARRANT TO PURCHASE SHARES OF COMMON STOCK (the "Warrant") certifies that, for value received, Armistice Capital Master Fund Ltd. or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on the fifth anniversary of the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from Decoy Therapeutics Inc., a Delaware corporation (the "Company"), up to 2,368,868 shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1.

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Business Day" means a day other than a Saturday, Sunday or any other day which is a federal legal holiday in the United States or any day on which the commercial banks in the City of New York are required by law or other governmental action to close, provided that the commercial banks in the City of New York shall not be deemed to be required to be closed due to a "stay at home," "shelter in place," "non-essential employee" or similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in the City of New York generally are open for use by customers on such day.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, $0.0001 par value per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Inducement Letter" means that certain Inducement Offer to Exercise Certain Existing Milestone Warrants, dated as of the date hereof, by and between the Company and the Holder.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

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"Subsidiary" means any subsidiary of the Company and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange (or any successors to any of the foregoing).

"Transaction Documents" means this Warrant, the Inducement Letter and the other agreements and instruments executed and delivered in connection with the transactions contemplated thereby.

"Transfer Agent" means Equiniti Trust Company, LLC, the current transfer agent of the Company, with a mailing address of 1110 Centre Point Curve, Suite 101, Mendota Heights, MN 55120, Attention: Chris Hall, and an email address of chris.hall@equiniti.com, and any successor transfer agent of the Company.

"Warrants" means this Warrant and the other warrants issued pursuant to the Inducement Letter.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto as Exhibit A (the "Notice of Exercise"). Within the earlier of (i) one (1) Trading Day and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of Common Stock under this Warrant shall be $3.25, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. If at the time of exercise hereof there is no effective registration statement registering, or the prospectus contained therein is not available for the issuance of the Warrant Shares to the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

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(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (x) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (y) the Bid Price of the Common Stock on the principal Trading Market as reported by Bloomberg L.P. ("Bloomberg") as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of the Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the Common Stock is not then listed or quoted on a Trading Market and if the Common Stock is listed or quoted for trading on OTCQB Venture Market ("OTCQB") or the OTCQX Best Market ("OTCQX"), the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on a Trading Market, in OTCQB or OTCQX and if prices for the Common Stock are then reported on The Pink Open Market ("Pink Market") operated by the OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the Common Stock is not then listed or quoted on a Trading Market and if the Common Stock is then listed or quoted on the OTCQB or the OTCQX, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on a Trading Market, in OTCQB or OTCQX and if prices for the Common Stock are then reported on the Pink Market operated by the OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other

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cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate or by electronic delivery through books and records maintained by the Company's transfer agent (at the election of the Holder), registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earlier of (i) one (1) Trading Day after the delivery to the Company of the Notice of Exercise and (ii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"); provided, however that payment of the aggregate Exercise Price (other than in the instance of a cashless exercise) is received by the Company by such date. Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) one (1) Trading Day and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), $10 per Trading Day (increasing to $20 per Trading Day on the third (3rd) Trading Day after the Warrant Share Delivery Date) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise. Notwithstanding the foregoing, with respect to any Notice(s) of Exercise delivered on or prior to 12:00 p.m. (New York City time) on the Initial Exercise Date, which may be delivered at any time after the issuance of this Warrant, the Company agrees to deliver, or cause to be delivered, the Warrant Shares subject to such notice(s) by 4:00 p.m. (New York City time) on the Initial Exercise Date and the Initial Exercise Date shall be the Warrant Share Delivery Date for purposes hereunder, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received by such Warrant Share Delivery Date.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the

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Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date (subject to receipt of the aggregate exercise price for the applicable exercise (other than in the case of a cashless exercise)), then the Holder will have the right to rescind such exercise by delivering written notice to the Company at any time prior to the Company delivering such Warrant Shares; provided, however, that the Holder shall be required to return any Warrant Shares subject to any such rescinded exercise notice concurrently with the return to the Holder of the aggregate Exercise Price paid to the Company for such Warrant Shares and the restoration of Holder's right to acquire such Warrant Shares pursuant to this Warrant (including issuance of a replacement warrant certificate evidencing such restored right).

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver, but did not timely deliver, to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases shares of Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of this Warrant for Warrant Shares with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share of Common Stock.

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vi. Charges, Taxes and Expenses. The issuance and delivery of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that, in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto as Exhibit B duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto, and if any portion of this Warrant remains unexercised, a new Warrant in the form hereof shall be delivered by the Company to the assignee. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, and any such attempted exercise shall be void and of no effect, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates, and any other Persons whose beneficial ownership of the shares would or could be aggregated with the Holder's for the purposes of Section 13(d) of the Exchange Act (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of Warrant Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act. To the extent that the limitation contained in this Section 2(e) applies the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding (the "Reported Outstanding Share Number"). Upon the written or oral request of

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a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of Warrant Shares issuable upon exercise of this Warrant. The Holder, upon written notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of Warrant Shares upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. If the Company receives an Exercise Notice from the Holder at a time when the actual number of outstanding shares of Common Stock is less than the Reported Outstanding Share Number, the Company shall notify the Holder in writing of the number of shares of Common Stock then outstanding and, to the extent that such Exercise Notice would otherwise cause the beneficial ownership of Holder together with the Attribution Parties, as determined pursuant to this Section 2(e), to exceed the Beneficial Ownership Limitation, the Holder shall then notify the Company of a reduced number of Warrant Shares to be purchased pursuant to such Exercise Notice (such notice, the "Reduction Notice"). Such issuance shall not be deemed to have occurred until the Holder provides the Reduction Notice (or a notice that no reduction is needed) to the Company. In the event that the issuance of Common Stock to the Holder upon exercise of this Warrant results in the Holder, together with the Attribution Parties, collectively being deemed to beneficially own, in the aggregate, more than the Beneficial Ownership Limitation, the number of shares so issued by which the aggregate Beneficial Ownership of the Holder and its Attribution Parties exceeds such limitation (the "Excess Shares") shall be deemed null and void and shall be cancelled *ab initio,* and the Holder and/or the Attribution Parties shall not have the power to vote or to transfer the Excess Shares. As soon as reasonably practicable after the issuance of the Excess Shares has been deemed null and void, the Company shall return to the Holder the exercise price paid by the Holder for the Excess Shares and the Holder shall return the Excess Shares to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any Warrant Shares issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged, provided that the Exercise Price per share shall in any case be no lower than the par value of the Common Stock. Any adjustment made

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pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) [Reserved].

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, that, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

e) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company (and all of its subsidiaries, taken as a whole), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of greater than 50% of the outstanding Common Stock or greater than 50% of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business

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combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires greater than 50% of the outstanding Common Stock or greater than 50% of the voting power of the common equity of the Company (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation on the exercise of this Warrant), the number of shares of common stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of common stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable contemplated Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value (as defined below) of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction; provided, however, that if (i) the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors or (ii) the consideration issuable in such Fundamental Transaction is all stock or other securities consideration, then, in each case, the Holder, in connection with the Holder's option to cause the Company or any Successor Entity to purchase this Warrant from the Holder, which option shall be exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable contemplated Fundamental Transaction), shall only be entitled to receive from the Company or any Successor Entity the same type or form of consideration (and in the same proportion), at the Black Scholes Value of the unexercised portion of this Warrant, that is being offered and paid to the holders of Common Shares of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Shares are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction; provided, further, that if holders of Common Shares of the Company are not offered or paid any consideration in such Fundamental Transaction, such holders of Common Shares will be deemed to have received common stock of the Successor Entity (which Successor Entity may be the Company following such Fundamental Transaction) in such Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (i) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the remaining term of this Warrant as of such date of request, (ii) an expected volatility equal to the remaining term of this Warrant obtained from the HVT function on Bloomberg as of the Trading Day immediately prior to the public announcement of the applicable Fundamental Transaction or, if the Fundamental Transaction is not publicly announced, the date the Fundamental Transaction is consummated, (iii) the underlying price per share used in such calculation shall be the greater of (A) the sum of the price per share being offered in cash, if any, plus the per share value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (B) the greater of (x) the last weighted average price of the Common Stock immediately prior to the public announcement of such Fundamental Transaction and (y) the last weighted average price of the Common Stock immediately prior to the consummation of such Fundamental Transaction, (iv) a zero cost of borrow and (v) a 360 day annualization factor. The payment of the Black Scholes Value will be made by wire transfer

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of immediately available funds (or such other consideration) within the later of (i) five Business Days of the Holder's election and (ii) the effective date of the Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall be added to the term "Company" under this Warrant (so that from and after the occurrence or consummation of such Fundamental Transaction, each and every provision of this Warrant referring to the "Company" shall refer instead to each of the Company and the Successor Entity or Successor Entities, jointly and severally), and the Successor Entity or Successor Entities, jointly and severally with the Company, may exercise every right and power of the Company prior thereto and the Successor Entity or Successor Entities shall assume all of the obligations of the Company prior thereto under this Warrant with the same effect as if the Company and such Successor Entity or Successor Entities, jointly and severally, had been named as the Company herein.

f) Reserved.

g) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

h) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment. For purposes of clarification, whether or not the Company provides any such notice, each Holder shall only be required to pay the adjusted Exercise Price with respect to such exercise, regardless of whether a Holder accurately refers to such price in any Notice of Exercise. If the aggregate Exercise Price paid by the Holder exceeds the amount that should have been paid based on the adjusted Exercise Price, the Company shall promptly return any excess aggregate Exercise Price to the Holder.

ii. Notice to Allow Exercise by Holder. If, while the Warrant is outstanding (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company (or any of its Subsidiaries) is a party,

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any sale or transfer of all or substantially all of its assets, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or any Fundamental Transaction, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

iii. Voluntary Adjustment By Company. Subject to the rules and regulations of the Trading Market, the Company may at any time during the term of this Warrant reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the Board of Directors.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant and all rights hereunder are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges

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shall be dated the Initial Exercise Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. Without limiting any rights of a Holder to receive Warrant Shares on a "cashless exercise" pursuant to Section 2(c) or to receive cash payments pursuant to Section 2(d)(i) and Section 2(d)(iv) herein, in no event shall the Company be required to net cash settle an exercise of this Warrant.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Trading Day, then such action may be taken or such right may be exercised on the next succeeding Trading Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve and keep available from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the

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Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Warrant (whether brought against a party hereto or their respective affiliates, directors, officers, stockholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of this Warrant, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for their reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding. Notwithstanding the foregoing, nothing in this paragraph shall limit or restrict the federal district court in which a Holder may bring a claim under the federal securities laws.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holder hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at Decoy Therapeutics Inc., 2450 Holcombe Blvd., Suite X, Houston, TX 77021, Attention: Chief Executive Officer, email address: pierce@decoytx.com, or such other email address or address as the Company may specify for

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such purposes by notice to the Holders. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the e-mail address or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section 5(h) prior to 5:30 p.m. (New York City time) on any Trading Day, (ii) the next Trading Day after the time of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section 5(h) on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder (or the beneficial owner of this Warrant); provided that the terms of Section 2(e) of this Warrant and this Section 5(l) may not be amended, modified or waived.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

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(Signature Page Follows)

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IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

DECOY THERAPEUTICS INC.

By: /s/ Mark Rosenblum
Name: Mark Rosenblum
Title: Chief Financial Officer

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EXHIBIT A

NOTICE OF EXERCISE

TO: **DECOY THERAPEUTICS INC.**

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted, the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

_____

_____

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

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EXHIBIT B

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

(Please Print)

Address:

(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____ __, _____

Holder's Signature:

Holder's Address:

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Exhibit 31.1

Certification Pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I,Frederick E. Pierce, Chief Executive Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Decoy Therapeutics Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Frederick E. Pierce
Frederick E. Pierce
Chief Executive Officer (Principal Executive Officer)

November 12, 2026

Exhibit 31.2

Certification Pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Mark J. Rosenblum, Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Decoy Therapeutics Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Mark J. Rosenblum
Mark J. Rosenblum
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

November 12, 2026

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Decoy Therapeutics Inc. (the "Company") for the fiscal quarter ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of their knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Frederick E. Pierce
Frederick E. Pierce
November 12, 2026 Chief Executive Officer (Principal Executive Officer)

/s/ Mark J. Rosenblum
Mark J. Rosenblum
Executive Vice President and Chief Financial Officer
November 12, 2026 (Principal Financial Officer and Principal Accounting Officer)